

GOVERNMENT OF TELANGANA

ABSTRACT

Public Services – Labour Employment Training & Factories Department – Departmental proceedings against Sri R.Chandrasekharam, Joint Commissioner of Labour, Ranga Reddy Zone, Hyderabad and presently working as Joint Commissioner of Labour (HQs), Office of the Commissioner of Labour, Telangana, Hyderabad under Rule 20 of Telangana Civil Services (CCA) Rules, 1991 - Article of Charge – Orders - Issued.

LABOUR EMPLOYMENT TRAINING & FACTORIES (Emp-Vig) DEPARTMENT

G.O.Rt.No. 526

Dated: 15-11-2022

Read:

From the Director General, Vigilance and Enforcement and Ex-officio Principal Secretary to Government, General Administration (V&E) Department, Vigilance Report No.59 (C.No.95/V&E/D1/2020), Dt.06.06.2022.

ORDER:

It is proposed to hold an inquiry against Sri R.Chandrasekharam, Joint Commissioner of Labour (HQs), Office of the Commissioner of Labour, Telangana, Hyderabad and previously worked as Joint Commissioner of Labour, Ranga Reddy Zone, Hyderabad, in accordance to the procedure laid down in Rule 20 of the Telangana Civil Services (Classification, Control and Appeal) Rules, 1991.

2. The substance of article of charge along with basis of charge in respect of which the enquiry is proposed to be held is set out in the enclosed statement of article of charge (Annexure-I) and the list of documents and list of witnesses by which the article of charge is proposed to be sustained are set out in the enclosed statements (Annexure-II, III).

3. Sri R.Chandrasekharam, Joint Commissioner of Labour (HQs), Office of the Commissioner of Labour, Telangana, Hyderabad is directed to submit written statement of his defense and to state whether he desires to be heard in person within fifteen (15) working days from the date of receipt of this order.

4. Sri R.Chandrasekharam, Joint Commissioner of Labour (HQs), Office of the Commissioner of Labour, Telangana, Hyderabad is informed that an inquiry will be held in respect of article of charge if not admitted. He should, therefore, specifically admit or deny the article of charge.

5. Sri R.Chandrasekharam, Joint Commissioner of Labour (HQs), Office of the Commissioner of Labour, Telangana, Hyderabad is further informed that if he does not submit his written statement of defense on or before the date specified in para 3 above, further action will be processed based on the material available.

6. Attention of Sri R.Chandrasekharam, Joint Commissioner of Labour (HQs), Office of the Commissioner of Labour, Telangana, Hyderabad is invited to Rule 24 of the Telangana Civil Services (Conduct) Rules, 1964, under which no Government servant shall bring or attempt to bring any political or outside influence to bear upon any superior authority to further his interest in respect of matters pertaining to his service under the Government. If any representation is received on his behalf from another person in respect of any matter dealt with these proceedings it will be presumed that he is aware of such a representation and that it has been made at his instance and action will be taken against him for violation of rule 24 of the Telangana Civil Service (Conduct) Rules, 1964.

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7. The receipt of this G.O. shall be acknowledged.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF TELANGANA)

I. RANI KUMUDINI
SPECIAL CHIEF SECRETARY TO GOVERNMENT

To

Sri R.Chandrasekharam, Joint Commissioner of Labour (HQs), Office of the
Commissioner of Labour, Telangana Hyderabad through the Commissioner of
Labour, Telangana, Hyderabad. Encls: Annexures I to III.

The Commissioner of Labour, Telangana, Hyderabad (with a direction to serve the
Article of Charge on the individual under proper acknowledgement and return
the same to the Government)

Copy to:-

The Secretary, Telangana Vigilance Commission, Hyderabad.

The Director General, (V&E) & Ex-Officio Principal Secretary to Government
(FAC), General Administration (V&E) Department, Hyderabad.

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//FORWARDED:: BY ORDER//

SECTION OFFICER

ANNEXURE – I

(G.O.Rt.NO.526, LABOUR EMPLOYMENT TRAINING & FACTORIES (EMP&VIG) DEPARTMENT, DT.15.11.2022)

STATEMENT OF ARTICLE OF CHARGE FRAMED AGAINST SRI R.CHANDRASEKHARAM, JOINT COMMISSIONER OF LABOUR, RANGA REDDY ZONE, HYDERABAD AND PRESENT JOINT COMMISSIONER OF LABOUR (HQS), OFFICE OF THE COMMISSIONER OF LABOUR, TELANGANA, HYDERABAD

CHARGE – I

That Sri R.Chandrasekharam, Joint Commissioner of Labour (HQS), Office of the Commissioner of Labour, Telangana, Hyderabad, while working as Joint Commissioner of Labour, Ranga Reddy Zone, Hyderabad has failed to discharge his legitimate duties in filing the counter affidavit in W.P.No.35582/2014 in Hon'ble High Court against the L&T Metro Rail in time. He has been silent from 2016 to 2019 on the stay orders obtained by L&T Company and allowed the firm to evade the payment of labour cess of Rs.163.75 Crore.

Thus, Sri R.Chandrasekharam, Joint Commissioner of Labour (HQS), Office of the Commissioner of Labour, Telangana, Hyderabad by the above mentioned act has committed grave irregularity and exhibited lack of integrity, devotion to duty, conduct unbecoming of a Government Servant and thereby contravened the Rule 3(1) & (2) of the Telangana Civil Services (Conduct) Rules, 1964.

BASIS OF CHARGE:

The Vigilance and Enforcement Department officials have conducted an enquiry based on the complaint petition of Sri M.Srinivas, Secretary CPI (M), R/o Hyderabad regarding evasion of Labour Cess @ 1% on cost of construction by the contractors who were involved in construction activities in Government Departments, Engineering works, private builders and Hyderabad Metro Rail Agency. They have obtained the records pertaining to labour cess detections and realization particulars from Labour Department officials, all Engineering department Heads of Departments and submitted their enquiry report.

The Vigilance and Enforcement Department in their enquiry report have stated the allegation framed on perusal of the complaint petition of Sri M.Srinivas, Secretary CPI (M) is that, the Labour Department Officials have not filed any counter affidavit since 2014 to 10.12.2019 in Hon'ble High Court with regard to evasion of labour cess for Rs.163.75 Crores by L&T Hyderabad Metro Rail Agency, due to which huge revenue loss to Government Exchequer.

The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 (Main Act) and the Building and Other Construction Workers Welfare Cess Act, 1996 (Cess Act) and the Cess Rules, 1998 were enacted by the Government of India with an objective to levy and collection of cess on the cost of construction incurred by employers to implement welfare measures to the construction workers.

The Andhra Pradesh Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Rules, 1998 were framed under the main Act by the Government of Andhra Pradesh, and the Andhra Pradesh Building and Other Construction Workers Welfare Board has been constituted. The following are the important provisions of the Act.

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1. "Building or other construction work" has been defined as "the construction, alteration, repairs, maintenance or demolition, of or, in relation to buildings, streets, roads, railways, tramways, airfields, irrigation, drainage, embankment and navigation works, flood control works (including storm water drainage works), oil and gas installations, electric lines, wireless, radio, television, telephone, telegraph and overseas communications, dams, canals reservoirs, watercourses, tunnels, bridges, viaducts, aqua ducts, pipelines, towers, cooling towers, transmission towers and such other work as may be specified in this behalf by the appropriate Government by notification but does not include any building or other construction work to which the provisions of the Factories, 1948 or the Mines Act, 1952 apply;
2. The Act applies to all "Establishments" employing 10 or more workers on any day. The term "Establishment" means any establishment belonging to, or under the control of Government, anybody corporate or firm, an individual or association or other body of individuals which or who employs building workers in any building or other construction work; and includes an establishment belonging to a contractor, but does not include an individual who employs such workers in any building or construction work in relation to his own residence the total cost of such construction not being more than rupees Ten Lakhs.
3. As per Section 3 of the Cess Act, read with rule 4(3) of the Cess Rules and in accordance with S.O.No.2899, dated 26.3.1996 of the Government of India, 1% cess has to be deducted from the bills paid for works which are covered by the definition of "Building and Other Construction Work".
4. As per Rule 6 of the Cess Rules, every Employer, within thirty days of commencement of work or payment of Cess, as the case may be, shall furnish to the Assessing Officer, information in Form-I.
5. The Central Government Departments and establishments should be registered with the Central Government Officers but they are liable to pay Cess to the Andhra Pradesh Building and the Construction Workers Welfare Board.
6. The Departments / Organizations covered by the above Acts including all the Drawing & Disbursing Officers of the State are liable to pay Cess @ 1% on the cost of construction / estimated cost of construction. The Cess shall be remitted by way of challan to be payable in the Bank Account as per G.O.Ms.No.111 & 112, dt.15.12.2009, Labour Employment Training & Factories (Lab.I) Department
7. If the Departments / Organizations fail to remit the Cess within 15 days, they are liable to pay interest and penalty as per Sec. 8 & 9 of the Building & Other Construction Workers Welfare Cess Act, 1998 besides penalties provided u/s 12 of said Act.
8. As per G.O.Ms.No.111, dt.15.12.2009 of Labour Employment Training and Factories, it was mentioned that as per Building and Other Construction activity Cess Rules of 1996 framed by the Central Government Act No.27, the Labour Cess 1% is to be deducted on all bills paid to the contractors / agencies from 26.6.2007 onwards.

The Vigilance and Enforcement Officials has enquired on evasion of Labour Cess by the L&T Metro Rail Project Hyderabad authorities and submitted report vide Alert Note No.133, dt.09.07.2013 of General Administration (Vigilance & Enforcement) Department with detection amount for Rs.163.75 Crores and vide Alert Note No.05, dt.26.6.2014 of General Administration (V&E) Department with detection amount for Rs.13.62 Crores. After verification of the records,

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the Vigilance and Enforcement Officials have observed that the L&T Metro Rail Project Hyderabad authorities have filed WP No.35582 of 2014, dt.24.11.2014 and got stay orders for a period of three weeks from Hon'ble High Court for payment of labour cess amounts as detected by V&E Department. Further observed that the Labour Department officials have not filed counter affidavit against L&T in W.P.No.35582 of 2014, dt.24.11.2014 from 2014 to 20.12.2019 and it seems that only after publishing of adverse news paper items, and frequent persuasion of the Petitioner through RTI Act, the Labour Department Officials started to initiate for filing of counter affidavit.

The Vigilance and Enforcement Officials have addressed letters to the Commissioner of Labour vide Rc.No.61/RVEO-City-1/DW/LC/2019-20, dt.02.01.2020, 16.1.2020 and 11.2.2020 to furnish the information on evasion of labour cess by the L&T Company.

- a) Realization particulars of L&T Metro Rail Project Hyderabad with regard to evasion of labour cess identified by Vigilance and Enforcement Department detections.
 - i) RC.No.442/RVEO-H.C-II/DW/2013, dt.10.06.2013 for Rs.163,75,00,000/- (163.75 Crores).
 - ii) Alert Note No.5 (C28&35/V&E/D2/2014, dt.26.6.2014 for Rs.13,29,80,384/- (13.29 Crores).
- b) Copies of Writ Petition filed by L&T Hyderabad Metro Rail Ltd., copy of Court Stay Order with respect to WP No.35582/2014 and counter affidavit filed by Labour Department officials.
- c) If counter not filed from 2014 to 20.12.2019, details of the competent authority to file counter affidavit from Labour Department, and reasons for not filing the Counter Affidavit.

The Vigilance & Enforcement Department has stated that, the Version (as called vide Memo. Dt:30.01.2020 by the Commissioner of Labour, Hyderabad) furnished vide his letter dt:3.2.2020 of Sri R. Chandrasekharam, Joint Commissioner of Labour, Ranga Reddy Zone is not convincing. He has failed to discharge his legitimate duties in filing the counter affidavit in W.P.No.35582/2014 in Hon'ble High Court against the L&T Metro Rail in time. He has been silent from 2016 to 2019 on the stay orders obtained by the L&T Metro Rail in time and allowed the firm to evade the payment of labour cess of Rs.163.75 Crores.

I. RANI KUMUDINI
SPECIAL CHIEF SECRETARY TO GOVERNMENT

ANNEXURE –II

**(G.O.Rt.NO.526, LABOUR EMPLOYMENT TRAINING & FACTORIES
(EMP&VIG) DEPARTMENT, DT.15.11.2022)**

LIST OF DOCUMENTS:

1. Complaint Petition of Sri M.Srinivas, Secretary CPI (M), R/o Hyderabad, dt.20.12.2019.
2. G.O.Ms.No.111 & 112, dt.15.12.2009 of Labour Employment Training & Factories (Lab.I) Department.
3. Alert Note No.133, dt.09.07.2013 of General Administration (V&E) Department.
4. Alert Note No.05, dt.26.6.2014 of General Administration (V&E) Department.
5. Stay Orders dt.24.11.2014 of Hon'ble High Court in W.P.No.35582/2014 filed by L&T Metro Rail Project, Hyderabad.
6. Vigilance & Enforcement Department, Letter Rc.No.61/RVEO-City-1/DW/LC/2019-20, dt.02.01.2020, 16.01.2020 & 11.02.2020.
7. Sri R.Chandrasekharam, Joint Commissioner of Labour, Ranga Reddy Zone, Lr.No.E/79/2020, dt.03.02.2020.
8. Vigilance & Enforcement Department, Lr.No.61/RVEO-City-1/DW/2019, dt.05.06.2020, 25.06.2020, 29.10.2020, 21.11.2020, 13.07.2021 & 18.02.2022.
9. From the Director General, Vigilance and Enforcement and Ex-officio Principal Secretary to Government, General Administration (V&E) Department, Vigilance Report No.59 (C.No.95/V&E/D1/2020), dt.06.06.2022.
10. Any other document will be produced at the time of enquiry, if required.

**I. RANI KUMUDINI
SPECIAL CHIEF SECRETARY TO GOVERNMENT**

ANNEXURE-III

**(G.O.Rt.NO.526, LABOUR EMPLOYMENT TRAINING & FACTORIES
(EMP&VIG) DEPARTMENT, DT.15.11.2022)**

LIST OF WITNESSES :-

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**I. RANI KUMUDINI
SPECIAL CHIEF SECRETARY TO GOVERNMENT**